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**UNITED STATES DISTRICT COURT**  
**NORTHERN DISTRICT OF CALIFORNIA**  
**SAN FRANCISCO DIVISION**

DONALD NORMAN, in the Right of  
and for the Benefit of Intersango, LLC.

Plaintiff,

v.

PATRICK STRATEMAN, AMIR  
TAAKI, JAMIE STRATEMAN,

Defendants,

and

INTERSANGO LIMITED LIABILITY  
CORPORATION and INTERSANGO,  
LLC

Nominal Defendants.

) Case No.:

) FIRST AMENDED SHAREHOLDER  
) DERIVATIVE COMPLAINT

) **JURY TRIAL DEMANDED**

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**NATURE AND SUMMARY OF THE ACTION**

1. Donald Norman (“Norman” or “Plaintiff”), by and through his attorneys, brings this action derivatively, as a shareholder, on behalf of nominal defendants Intersango LLC and Intersango LTD (collectively “Intersango”, the “Company”, or the “Companies”) and alleges upon personal knowledge as to himself and his own acts, and as to all other matters based on investigations by himself and his attorneys, as follows:

2. This shareholder derivative action is brought on behalf of the Company against its officers and managing members, Amir Taaki (“Taaki”) and Patrick Strateman (“Strateman”), and against Strateman’s mother, Jamie Strateman (hereinafter referred to collectively as “Defendants” or “Individual Defendants”). As against individual defendants Strateman and Taaki, this action seeks to remedy Defendants’ breaches of fiduciary duties, and other violations of the law that occurred between June 27, 2011 and the present (the “Relevant Period”), which have caused substantial monetary losses to the Company and to its shareholders, as well as other damages, such as to its reputation and goodwill. As against Jamie Strateman, this action is for conversion, fraud, conspiracy to commit conversion, conspiracy to commit fraud.

1 3. Intersango was created to operate chiefly as a Bitcoin exchange. Bitcoin  
2 (“BTC”) is a digital asset and an innovative payment system released as open-  
3 source software in 2009. See, <https://BTC.org/BTC.pdf>. The system is peer-to-  
4 peer and transactions take place between users without an intermediary. These  
5 transactions are verified by network nodes and recorded in a public distributed  
6 ledger called the *block chain*, which uses BTC as its unit of account. BTC is a  
7 cryptocurrency. It is the first decentralized digital currency and largest in terms of  
8 market capitalization.  
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10  
11 4. The Company was originally incorporated in the United Kingdom (UK) as a  
12 private limited company, Intersango LTD, on June 27, 2011. Intersango was also  
13 subsequently registered as an LLC in the U.S. on July 5, 2011 in Delaware.  
14

15 5. The Company was created upon an agreement by Plaintiff Norman and  
16 Defendants Strateman and Taaki that they would own and operate the company as  
17 equals. The partners’ business plan indicated that BTC’s low transaction fees for  
18 international transactions would incentivize adoption and due to the growing  
19 internationalization of the world economies, the long term prospects for adoption  
20 were good; and further that the value of the BTC (the coins themselves) was  
21 extremely likely to rise substantially with increasing adoption.  
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23 6. While the member’s consultancy services were primarily responsible for  
24 BTC advocacy, its exchange was quite successful, taking, among other fees, fees  
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1 of a fraction of a BTC for a large number of transactions on a daily basis. By  
2 October 2012, Intersango's exchanges were trading just under 50,000 BTC a  
3 month. See, [bitcoincharts.com/markets/](http://bitcoincharts.com/markets/);  
4 [bitcointalk.org/index.php?topic=63877.320](http://bitcointalk.org/index.php?topic=63877.320); and  
5 [bitcointalk.org/index.php?topic=63877.320](http://bitcointalk.org/index.php?topic=63877.320). The partner's business plan turned out  
6 to be quite smart. Not only was Intersango growing within a new and emerging  
7 field, it was acquiring a growth asset. As of June 2016, the value of BTC has  
8 increased more than 50 fold since 2012. See, [bitcoincharts.com/charts](http://bitcoincharts.com/charts). Thus, even  
9 without growth in the exchange, Intersango would be generating millions of dollars  
10 per day in revenue had it maintained full operations to today and their profits,  
11 which were intentionally being kept in BTC (rather than exchanged) would be  
12 worth millions more. To put it simply, Intersango was ahead of the curve.

13 7. Norman, Taaki, and Strateman all received equal shares of Intersango.  
14 Corporate governance documents, such as Bylaws and or Operating agreements  
15 were not formally entered into by the Parties, who acted and governed the business  
16 as if a general partnership. They were all member managers of Intersango.  
17 Unanimous agreement was required for all major company decisions.  
18 Additionally, they were all assigned various roles in the Company. In exchange  
19 for his one-third share of the Company, Norman agreed to act as the CEO of the  
20 Company, although he was generally in charge of only non-technical aspects of  
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1 Intersango's operations, and provided the initial operational funding for the  
2 Company in excess of \$60,000 (described in more detail below). Taaki provided  
3 much of the technical expertise for the Company, including but not limited to  
4 creating software to assist in the long-term vertical integration strategies of the  
5 Company, as well as providing the existing user database of a website and service  
6 he had previously created called Bitcoin. Strateman was the CTO of Intersango  
7 and was in charge of many of the technical aspects of the Company, including  
8 security of the Company. Strateman, for security purposes, had exclusive  
9 management and control of the BTC database and the BTCs on the Intersango  
10 website, which included the profits of Intersango. He later used this power to  
11 unilaterally make major corporate decisions, control the company, and prohibit the  
12 disbursement of dividends and BTCs to shareholders.  
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16 8. Intersango developed gradually to become one of the world's most widely  
17 recognized BTC exchange platforms. In the fall of 2012, just when Intersango was  
18 starting to become profitable, Strateman used his power and control over the  
19 Company's assets to essentially shut Norman and Taaki out of the day-to-day  
20 business and operations of Intersango. From that point to the present day,  
21 Strateman has used his position of control of Intersango's finances to usurp  
22 complete control over management of the Company. He has repeatedly, to the  
23 detriment of the Company and its shareholders, made completely unilateral  
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1 decisions on behalf of the Company either without seeking the approval of the  
2 other member managers or against their express wishes. Furthermore, he  
3 unreasonably discontinued the registration of new users to Intersango's  
4 marketplace just when Intersango was profitable enough to not only sustain itself,  
5 but thrive. This was undoubtedly the type of major decision that required an  
6 approval of the majority of member managers, approval which Strateman never  
7 sought nor received. These actions, as well as others described in greater detail  
8 below, significantly injured and decreased the value of Intersango.  
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11 9. Strateman breached his fiduciary duty to the Company and abused his  
12 exclusive management power over Intersango's exchanges by forcing his will on  
13 the Company and preventing its further growth, to the detriment of the Company.  
14 Furthermore, at no point did he seek options to sell the Company or its assets to a  
15 third party while it was still profitable, enjoyed a reputation as one of the most  
16 prominent BTC exchange marketplaces, had an extensive client list for bitcoin  
17 related businesses of the time, and when the technology underlying the BTC  
18 exchange marketplaces had significant monetary value. Strateman has also  
19 converted corporate funds by refusing to distribute to its shareholders more than  
20 7,000 BTCs held by the no-longer-operating Company. As of June 17, 2016, the  
21 7,000 unaccounted for BTC, have a market value of over five million dollars  
22 (\$5,000,000). Indeed, Strateman has been secretive throughout and has refused to  
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1 be forthcoming with the other member managers of Intersango regarding the  
2 finances of the Company so that the other member managers don't even know the  
3 value and whereabouts of the BTCs they invested in the Company. Strateman  
4 committed fraud by intentionally misrepresenting material to the other member  
5 managers on a number of occasions, including but not limited to 1) that the  
6 Company needed to halt all new registrations; and 2) (repeatedly) that he would  
7 eventually disburse their share of assets of the Company to them, including  
8 dividends and BTCs, when he never had any intention of doing so. Individual  
9 defendant Taaki breached his fiduciary duties as a member manager and director of  
10 the Company by refusing to engage with Norman and Strateman to consider the  
11 best path for the Company. Taaki did not exercise his power as a member manager  
12 to insist that Strateman cease converting Company assets. He also, despite  
13 Plaintiff's urging, failed to take any actions when Strateman ceased allowing new  
14 registration to Intersango's marketplace. Finally, Taaki failed to insist that  
15 Intersango assets such as dividends and BTCs be distributed to shareholders.  
16 Essentially, when Strateman usurped complete control over the company, Taaki  
17 abandoned and abdicated all of his managerial responsibilities and walked away  
18 from his duties as a member manager of the Company.

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10. These actions listed above collectively constitute breach of fiduciary duties,  
on the part of the individual defendants Strateman and Taaki.

1 11. Strateman used his position within the Company, whereby he controlled site  
2 bitcoins, databases, and user information, to essentially shut out Norman  
3 completely from the day-to-day operations of Intersango, and usurp complete  
4 control over Intersango. Shortly thereafter, Strateman and Taaki more or less  
5 ceased any meaningful communications with Norman. Instead, Taaki chose to  
6 “wait and see” while Strateman’s mother Jamie Strateman became a liaison  
7 between Norman and Strateman.  
8

9 12. Norman made repeated requests for a disbursement of Intersango’s assets  
10 including dividends and BTCs to himself and to the other shareholders. His  
11 requests were denied. Instead, Strateman entered into a conspiracy with his  
12 mother, Jamie Strateman, both to commit fraud and to commit conversion with  
13 respect to Intersango’s assets. Strateman repeatedly misrepresented to Norman  
14 that Intersango assets including dividends and BTCs would eventually be  
15 distributed to Intersango shareholders. These misrepresentations are discussed in  
16 specific detail below. He was assisted in these misrepresentations by Jamie  
17 Strateman. Furthermore, due to these assurances, Norman delayed taking legal  
18 action against Strateman. Indeed, Strateman believed that without this  
19 disbursement, Norman would not even have the financial ability to sue to force the  
20 disbursement of Intersango’s assets to its shareholders. To date, Strateman has  
21 refused to disburse Intersango assets including dividends and BTCs to shareholders  
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1 despite repeated requests to do so. He never had any intention of distributing such  
2 assets, and relied on Jamie Strateman's assistance in avoiding such distribution,  
3 with the intention from the very beginning to keep all Company assets for himself.  
4 These actions together constitute fraud and conversion on the part of Strateman  
5 and Jamie Strateman, as well as conspiracy to commit fraud and conversion on the  
6 part of Strateman and Jamie Strateman. They also constitute unjust enrichment on  
7 the part of Strateman, as to date he has not distributed assets of the company to its  
8 shareholders.  
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10  
11 13. Strateman also committed violations of the Securities Act of 1933 and the  
12 Securities Exchange Act of 1934 when he solicited and accepted Plaintiff's  
13 financial investment in the Company without disclosing his true intention in  
14 regards to his management of the Company.  
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## 16 17 **JURISDICTION AND VENUE**

### 18 **THE PARTIES**

19  
20 14. This Court has jurisdiction over this action pursuant to 28 U.S.C.  
21 §1332(a)(2) in that this action includes a federal question, namely the Securities  
22 Acts of 1933 and 1934. Moreover, given that this action presents a federal  
23 question, this court has supplemental jurisdiction over the other claims because  
24 they involve the same nucleus of operative facts under the federal claim. This  
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1 action is not a collusive action designed to confer jurisdiction on a court of the  
2 United States that it would not otherwise have.

3 15. This Court has jurisdiction over each defendant named herein because each  
4 defendant is either a corporation that conducts business in or maintains operational  
5 headquarters in this District, or is an individual who has sufficient minimum  
6 contacts with this District so as to render the exercise of jurisdiction by the District  
7 courts permissible under traditional notions of fair play and substantial justice.  
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9 16. Venue is proper in this Court pursuant 20 28 U.S.C. §1391(A) because: (i)  
10 one or more of the defendants either resides in or maintains executive offices in  
11 this District; (ii) a substantial portion of the transactions and wrongs complained of  
12 herein, including defendants' primary participation in the wrongful acts detailed  
13 herein, and aiding and abetting and conspiracy in violations of duties owed to the  
14 Company occurred in this District; and (iii) defendants have received substantial  
15 compensation in this District by doing business here and engaging in numerous  
16 activities that had an effect in this District.  
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### 19 **THE PARTIES**

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21 17. Plaintiff Norman is and was, at times relevant hereto, an owner and holder of  
22 Intersango stock. Plaintiff is a member manager of Intersango, and owns 1/3 of  
23 Intersango shares. Plaintiff resides in Serbia.  
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1 18. Nominal defendant Intersango is a Delaware limited liability corporation  
2 with its current principal place of operations located in San Francisco, California.

3 19. Defendant Strateman is Intersango's CTO, and has served as an officer of  
4 Intersango since its inception on June 27, 2011. Strateman is also a member  
5 manager of Intersango, and owns 1/3 of Intersango shares. Upon information and  
6 belief, Strateman is a resident of San Francisco, California.

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8 20. Defendant Taaki is a member manager of Intersango, and owns 1/3 of  
9 Intersango shares. Upon information and belief, Taaki resides in Syria. His exact  
10 current location is unknown.

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12 21. Defendant Jamie Strateman is the mother of Strateman, and has played a  
13 significant role in the management of Intersango since 2012. Upon information  
14 and belief, defendant Jamie Strateman resides in San Francisco, California.

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17 **DUTIES OF THE INDIVIDUAL DEFENDANTS**

18 22. By reason of his position as CTO, and as a member manager and officer of  
19 Intersango, and as a fiduciary of Intersango, and because of his ability to control  
20 the business and corporate affairs of Intersango, Strateman owed and owes  
21 Intersango and its shareholders fiduciary obligations of trust, loyalty, good faith,  
22 and due care, and was and is required to use his utmost ability to control and  
23 manage Intersango in a fair, just, honest, and equitable manner. Individual  
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1 defendant Strateman was and is required to act in furtherance of the best interests  
2 of Intersango and its shareholders so as to benefit all shareholders equally and not  
3 in furtherance of his own personal interest or benefit.

4 23. By reason of his position as a member manager of Intersango, and as a  
5 fiduciary of Intersango, individual defendant Taaki owed and owes Intersango and  
6 its shareholders fiduciary obligations of trust, loyalty, good faith, and due care, and  
7 was and is required to use his utmost ability to control and manage Intersango in a  
8 fair, just, honest, and equitable manner. Individual defendant Taaki was and is  
9 required to act in furtherance of the best interests of Intersango and its shareholders  
10 so as to benefit all shareholders equally and not in furtherance of his own personal  
11 interest or benefit.

12 24. Each member manager and officer of the Company owes the Company and  
13 its shareholders the fiduciary duty to exercise good faith and diligence in the  
14 administration of the affairs of the Company and in the use and preservation of its  
15 property and assets, and the highest obligations of fair dealing.

16 25. Strateman, because of his exclusive control over the Intersango's databases,  
17 client data, and BTC, was able to and in fact did directly exercise control over the  
18 wrongful acts complained of herein.

19 26. To discharge his duties, Strateman as a member manager and officer of the  
20 Company was required to exercise reasonable and prudent supervision over the  
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1 management, policies, practices and controls of the financial affairs of the  
2 Company. By virtue of such duties, Strateman was required to among other things:

- 3 a. Allow for the reasonable disbursement of Company assets to  
4 shareholders including dividends and BTCs.  
5  
6 b. Conduct the affairs of the Company over which he had authority in  
7 an efficient, business-like manner so as to provide the highest  
8 quality performance of its business, to avoid wasting the Company's  
9 assets, and to maximize the value of the Company's stock.  
10  
11 c. Allow other member managers to fully participate in the  
12 management of the Company and receive their input and approval  
13 before taking actions that would significantly impact the value of the  
14 Company, or that could otherwise be characterized as major  
15 corporate decision.  
16  
17 d. In the event of an unwinding of the Company, and after seeking the  
18 approval of the other member managers, to exercise reasonable  
19 efforts to find a purchaser for the Company.  
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21 27. Strateman by virtue of his position as a member manager, officer, and  
22 fiduciary of the Company owed to the Company and its shareholders the fiduciary  
23 duties of loyalty, good faith, and the exercise of due care and diligence in the  
24 management and administration of the affairs of the Company, as well as in the use  
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1 and preservation of its property and assets. Strateman's actions involve a knowing  
2 and culpable violation of his obligations as a member manager and officer of the  
3 Company, the absence of good faith on his part, and a reckless disregard for his  
4 duties to the Company and its shareholders that Strateman was aware or should  
5 have been aware posed a risk of serious injury to the Company.  
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7 28. Taaki's actions and failure to act to protect the best interests of the Company  
8 involve a knowing and culpable violation of his obligations as a member manager  
9 of the Company, the absence of good faith on his part, and a reckless disregard for  
10 his duties to the company and its shareholders that Taaki was aware or should have  
11 been aware posed a risk of serious injury to the Company. Essentially, after  
12 Strateman usurped complete control over the Company, Taaki abdicated and  
13 abandoned his managerial responsibilities and no longer took an active role in  
14 discharging his duties as a member manager of the Company. Taaki also failed to  
15 take steps to prevent Strateman's harmful actions to the Company when he had a  
16 fiduciary duty to do so.  
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### 19 **FACTUAL BACKGROUND**

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21 29. In April of 2011, Taaki reached out to Norman and asked for Norman's  
22 assistance in negotiating consulting rates on behalf of Taaki. The two had been  
23 longtime friends, and they met up in Amsterdam on April 12, 2011, and started  
24 working together.  
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1 30. Over the next several weeks, Taaki and Norman decided to pursue a  
2 business of BTC-related consulting together. In the spring or early summer of  
3 2011, Strateman was brought in to write code for the business and to receive a  
4 percentage of the agreements that Taaki and Norman made with clients.

5  
6 31. Shortly thereafter, Norman, Taaki, and Strateman agreed to work together to  
7 operate and build a platform allowing BTCs to be bought and sold internationally.  
8 Each of them would individually own a 1/3 ownership interest in the business, and  
9 would receive 1/3 of the profits and benefits of the business. Their responsibilities  
10 would be divided as follows:  
11

12 a. Taaki would provide his technical expertise. Taaki had already  
13 developed a site called Bitcoin to bring easy access to BTC to  
14 residents of the UK, and this site was part of the initial inspiration  
15 for Intersango. Taaki would provide his existing user base under the  
16 Bitcoin platform. Taaki was also responsible for developing a BTC  
17 library to be used in a competing wallet implementation, and would  
18 help Strateman develop the site.  
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21 b. Strateman would provide his technical expertise. Strateman was the  
22 CTO of Intersango and was a specialist in security. He designed,  
23 implemented and maintained asset exchange software, as well as  
24 integrated multiple payment processors/banks to facilitate automated  
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1 accounting and reconciliation. He had exclusive control over the  
2 BTCs deposited in the Company's marketplace. He was also  
3 responsible for maintaining the Intersango website. This power was  
4 granted to Strateman so that he could prevent against attack vectors  
5 by hackers.  
6

7 c. Norman would provide the initial funding for the operations.

8 Norman would also help with non-technical aspects of the business.

9 For instance, Norman helped with PR and managing press, searching  
10 for banking options, and answering support emails. Norman was  
11 also the CEO of the Company.  
12

13 32. The Company was incorporated as a private limited company, Intersango  
14 LTD, company number 7683978 in England on June 27, 2011.  
15

16 33. Intersango LLC was registered in the U.S. on July 5, 2011. Intersango LLC  
17 had the same division of ownership and shares as Intersango LTD, at 1/3 for  
18 Norman, Strateman, and Taaki. The overhead costs for Intersango were split  
19 among Intersango LTD (UK) and Intersango LLC (US).  
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21 34. Both Intersango LTD and Intersango LLC serviced the same website,  
22 Intersango.com. In essence, both Intersango LTD and Intersango LLC functioned  
23 as one company.  
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1 35. Over the next year or two, Norman invested between \$60,000 and \$70,000  
2 in the business. Norman also invested 1,000 BTCs (at the time, BTCs were priced  
3 at between \$5 and \$15 a coin). This money was used to pay for housing, food,  
4 numerous international flights and other transportation costs, Company registration  
5 expenses, domain costs, Company mail services, banking expenses, double  
6 withdrawal expenses, financial losses due to technical issues as the Company grew,  
7 new computers and computer related equipment, Skype and other phone credits,  
8 salaries of employees, and other general expenses.  
9

10 36. In the summer of 2011, Taaki initiated a list of withdrawals to process.  
11 Later, it was discovered that this list of withdrawals had already been processed by  
12 Taaki, and as much as 15,000 GBP might be unaccounted for. Thereafter, Taaki,  
13 Strateman, and Norman amended their agreement as follows:  
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- 15
- 16 a. Norman agrees to cover the liabilities caused by that day's double  
17 withdrawals.
  - 18 b. Intersango LTD and Intersango LLC and/or Bitcoin would  
19 monetize as fast as possible instead of continuing to run as a free  
20 unsustainable service relying on the accumulated life savings of  
21 Norman.  
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1 c. Norman would not be responsible or able to pay for housing, food or  
2 other general costs after paying for flight tickets for Taaki and  
3 Strateman to move back to previous places of residence.

4 37. Thereafter, Taaki, Strateman, and Norman met up at the mid-September  
5 2012 BTC conference in London that they were primarily responsible for  
6 organizing. After the conference, the three planned to set up a new living situation  
7 where the three of them could live and work together as they previously had done.  
8

9 38. Over the two or three months leading up to this September 2012 conference,  
10 Intersango LTD and/or Intersango LLC had accumulated enough wealth to finally  
11 allow for such an expenditure.  
12

13 39. Shortly before the Conference, a report was published in the UK on BTCs,  
14 alleging that a large number of BTC transactions were used for illegal purposes.  
15 This report made Strateman nervous, and he began to worry that the Company  
16 could become subject to investigation by the police since bitcoins were a  
17 misunderstood technology, even though the Company was operating legally.  
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19 40. Moreover, on the morning of the Conference, Strateman and Taaki were  
20 served in connection with a almost \$500,000 lawsuit filed in August 2012 in San  
21 Francisco by four bitcoin investors who lost money on an exchange called  
22 Bitcoinica, which was acquired by Intersango that year. Bitcoinica was a cloud-  
23 based exchange – built in five days by a Singaporean teenager – that was hacked  
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1 before and after Intersango acquired\* it. Intersango was not responsible - the  
2 acquisition was formally undone as a result of these hacks – but the lawsuit was  
3 not dismissed until early 2016.

4 41. Although not know at the time, upon information or belief, at around this  
5 time, Strateman decided that he no longer wanted to deal with the effort required to  
6 manage and run Intersango and decided to cash-out and focus his time on his other  
7 projects instead.  
8

9 42. Stratemen made numerous material and false representations about his  
10 reasons, including but not limited to that:  
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- 12 a. Stopping new registrations was necessary in order to properly  
13 defend the lawsuit and preserve company assets;
- 14 b. He was taking all actions in the best interest of maximizing  
15 shareholder return on investment; and
- 16 c. Later, when Norman stated he had a friend who could take over the  
17 site, Strateman stated that closing the site temporarily was necessary  
18 to protect the Company's members.  
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21 43. Despite the fact that all three member managers believed that the value of  
22 BTCs would continue to grow exponentially, Strateman no longer wanted to deal  
23 with the pressures of managing the Company. To that end, he started seeking ways  
24 to wind-down the company, and to take control of the 7,000 BTCs in Intersango.  
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1 44. Strateman then unilaterally decided to shut down the U.S. trading site for  
2 Intersango. Intersango's USD market stopped trading on or around October 14,  
3 2012. Strateman misrepresented to Norman at this time that he was worried about  
4 the legal implications of USD bitcoin trading and whether licensing issues or  
5 regulatory issues were at play. Strateman conveyed to Norman that reopening in  
6 the future would be possible if legal situation became more clear or if Intersango  
7 had the funds in the future to explore reopening the site to USD bitcoin trading. At  
8 the time, Intersango had significant assets in the form of BTCs, but none of the  
9 three member managers of Intersango wanted to use these for day to day  
10 operations, because they expected the value of BTCs to continue to rise.  
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13 45. Shortly thereafter, Intersango, for all practical purposes, ceased to operate at  
14 its usual capacity and stopped accepting new registrations on or about November  
15 18, 2012. This decision was unilaterally made by Strateman who at this point was  
16 exercising complete control over the Company. This is undoubtedly the type of  
17 major corporate decision which would require the approval of the majority of the  
18 member managers of Intersango. Strateman neither sought nor received the  
19 approval of the other member managers prior to taking these actions. Taaki did not  
20 protest against Strateman taking these actions which were obviously against the  
21 best interests of the Company. Strateman misrepresented to Norman and Taaki  
22 that his actions were necessary because Intersango's profits "couldn't be touched"  
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1 as a result of the pending litigation, and that Intersango did not otherwise have the  
2 funding to continue full operations. Strateman claimed that his actions were in the  
3 best interests of the company, and Plaintiff believed him at the time, even though it  
4 has since become clear to Norman that shutting down the Company wasn't  
5 necessary, and new registrations would have in fact helped the Company since the  
6 company profited off of new registrations. Indeed, these actions were not in the  
7 best interests of the Company, but rather reflected Strateman's desire to "cash out"  
8 and not have to deal with the stress of running the company anymore. He was  
9 clearly prioritizing his interests over that of the other shareholders.  
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13 46. At the time that the Company stopped accepting new registrations, an  
14 accounting of the balances and liabilities of the company clearly showed that the  
15 Company not only had enough funds to continue operating, but that the Company  
16 had enough funds to continue to expand at an enormous rate. Intersango at that  
17 point was growing at an exponential rate, while the costs of operation were  
18 slowing and only growing at a very minimal and fixed costs rate. The costs of  
19 operation were likely to continue to slow and even to decline moving forward due  
20 to the completion of software allowing for automation which would save many  
21 man hours.  
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1 47. Due to these as well as increased site recognition and other factors, the site  
2 was generating significant profits at the time the site stopped accepting new  
3 registrations. Had the site continued to accept new registrations, the Company  
4 would have continued to grow at an increased rate and would have come to  
5 represent a very significant percent of the crypto-currency exchange market, a  
6 market which is worth over one billion dollars today. At the time, Intersango was  
7 the number two BTC market exchange after Mt. Gox.  
8

9 48. Strateman inexplicably prevented the day-to-day operations of Intersango  
10 from continuing, thereby hurting the Company and depriving it of the growth and  
11 financial success it otherwise would have achieved. Furthermore, Strateman  
12 usurped complete control over the company and prevented other member managers  
13 of the Company from taking part in the continued operations of the Company.  
14  
15 Taaki did not oppose him in these actions.  
16

17 49. At no point did Strateman explore options for selling the Company, despite  
18 the fact that by that point, the Company had acquired significant value. The  
19 Company enjoyed significant market recognition as one of the leading BTC  
20 exchanges. Furthermore, there was significant value to the underlying product—  
21 the BTC exchange marketplace. Strateman, Norman, and Taaki had all invested  
22 significant time, expert, and expertise into building an exchange that at the time  
23 was quite advanced. Furthermore, the technology, and trade secrets behind  
24  
25

1 underlying the exchange, as well as the customer contact lists all had significant  
2 value. Indeed, there is no logical explanation as to why Strateman would seek to  
3 do nothing with this extremely valuable asset, and could in no way be a valid  
4 business decision. Shortly after the Conference, Strateman became unwelcoming  
5 and dismissive towards Norman and did not allow Norman to continue to  
6 participate in the day-to-day operations of the business. Norman has since been  
7 generally uninvolved in the Intersango LTD and Intersango LLC businesses.  
8 Strateman claimed that his reason for doing so was that Norman had “abandoned  
9 them” when he left the UK.  
10  
11

12 50. After Norman was effectively shut out of participating in the Intersango  
13 business, Norman reached out to Taaki repeatedly and on at least two occasions  
14 formally requested Taaki’s permission to force Strateman to consider and or take  
15 certain actions by asking him to sign a statement to that end. Taaki indicated to  
16 Plaintiff that he felt that they had no choice but to listen to and “trust” Stratemen,  
17 who not only had complete control of the website but also had BTC that Plaintiff  
18 and Taaki believed likely to be worth millions of dollars. Thus, although Plaintiff  
19 felt that the Company should take different actions he had no choice to rely on  
20 Stratemen’s unilateral decision, and continue to rely on Stratemen to protect and  
21 maximize his investment in the Company and the profits (BTC) therein.  
22  
23  
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1 51. Nonetheless, Plaintiff has repeatedly requested that Intersango's assets  
2 including dividends and BTCs be distributed to shareholders, including Norman's  
3 own one-third ownership stake in Intersango's shares and profits. He also  
4 requested an auditing of the Company to ensure the accuracy of any distribution  
5 and information on the Company records which would allow him to verify that all  
6 liabilities to Intersango users had been fully and properly handled.

8 52. As early as September 2012, Strateman severely limited his communications  
9 with Norman, simply promising that he was "handling it" and Norman had no  
10 choice but to rely upon Strateman to manage and take responsibility for everything  
11 Intersango, including its assets and 7,000 BTC. Norman was only able to  
12 communicate with Strateman irregularly and Strateman deliberately communicated  
13 many business details by proxy through his mother, Jamie Strateman. Jamie  
14 Strateman also took over managing the Company's tax returns and legal concerns.  
15 This delegation of managerial responsibilities to Jamie Strateman was done  
16 unilaterally by Strateman, without the consent of Norman. On and off throughout  
17 2013, Strateman threatened Norman and Taaki by stating that if either tried to stop  
18 him from taking these actions, Strateman would essentially shut down the  
19 company, thus leaving Intersango both unable to operate and unable to pay back  
20 users. So essentially, Taaki and Norman, were left with no choice but to acquiesce  
21 to Strateman's actions.  
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1 53. After he shut Norman out of the Company, Strateman repeatedly threatened  
2 to abandon the Company. Strateman threatened that if he was pressured by  
3 Norman and Taaki, he would refuse to hand over the database of the Company.  
4 Norman and Taaki both knew that without this database, they would not be able to  
5 pay back members who had deposited BTCs on the site, and would be faced with  
6 numerous lawsuits, so they had no choice but to acquiesce to Strateman's actions  
7 and allow him to exercise complete control over the company.  
8

9 54. Intersango was involved in another separate lawsuit with a third party in  
10 California. In the suit, Intersango was the defendant. Strateman, as well as his  
11 mother Jamie Strateman, promised Norman on numerous occasions that after that  
12 lawsuit was resolved, Intersango's assets, including dividends and BTCs, would be  
13 distributed to shareholders. Norman still believed at this point that Strateman was  
14 acting in the best interests of the Company, and that it was only a matter of time  
15 until Strateman issued the dividends and BTCs to him and the other shareholders.  
16

17 55. Upon information and belief, in 2013, Norman met with Strateman in Poland  
18 to sign a bank check which would allow a GBP deposit to be deposited into a  
19 Polish bank, since at this point the Company's UK banking activities had been shut  
20 down. Strateman threatened that if Norman didn't meet him to make the deposit,  
21 Strateman would abandon the Company. which would leave all the member  
22 managers with no way to defend against lawsuits or pay back the claimants.  
23  
24  
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1 56. When they met, Norman and Strateman had a conversation regarding the  
2 future direction of the Company. Norman left the exchanged feeling reassured  
3 based off of Strateman's comments that Strateman would disburse the BTCs that it  
4 owed to Norman and to the other member managers of Intersango. Strateman also  
5 assured Norman that he would continue to operate the site and that his actions at  
6 that time were due to temporary legal, tax and accounting problems that were  
7 being handled, and which were the reasons why Intersango's money couldn't  
8 currently be touched. Strateman further reassured Norman that after those issues  
9 were resolved, Intersango would be able to put the rest of its existing money into  
10 reopening operations, or alternatively, the site could be sold/migrated to another  
11 business. Strateman stated that the reason the site hadn't been sold was because  
12 Strateman had been too busy preparing for the defense of the lawsuit and dealing  
13 with Intersango accounting issues. At this time, Norman still believed that even  
14 though Strateman was exercising complete control of the Company, that the  
15 interests of all three member managers were aligned. Since they all owed a 1/3  
16 interest in the Company, it stood to reason that Strateman would act in the  
17 Company's best interests. However, neither Norman nor Taaki were allowed to  
18 assist in the direction of the company or ensuring its success, and Strateman kept  
19 them in the dark regarding the financial condition of the company.  
20  
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1 57. Throughout 2012 and 2013, Strateman was still operating Intersango's  
2 website and processing account withdrawals.

3 58. On January 14, 2013, Norman emailed Jamie Strateman, stating: "As for  
4 Intersango, I'm wondering what the balance sheet is et cetera. I've been asking for  
5 a long time and I still haven't heard. Just because Patrick stopped talking to me  
6 doesn't mean he doesn't have a responsibility. I am assuming there are no  
7 outrageous expenses happening and there aren't any weird trades going on. Since  
8 it is basically my savings I will want to look at all the expenses at some point.  
9 Patrick will have to talk to me at some point about this after the final payments go  
10 out so we can wrap things up. If my friend won't buy Intersango, we can simply  
11 auction it online which might be the best thing to do anyway."

12 59. Jamie Strateman responded by email on January 14, 2013, stating that  
13 "Patrick is doing his best to operate Intersango on his own, to defend against the  
14 SF lawsuit and move things along to resolving it. He is also working on his own  
15 projects. He is also stuck dealing with attorneys, the lawsuit, and liquidators. I  
16 doubt these are expenses that you would disagree with. From what I can see,  
17 Patrick is working to preserve the value for the 3 of you."

18 60. On or around January 30, 2013, Strateman messaged Norman asking him to  
19 put out a press release for Intersango stating that "We are now simply looking to  
20 move forward and resolve any Intersango related issues which have been delayed  
21  
22  
23  
24  
25

1 due to this process. We thank our users for their support and patience during the  
2 past months.”

3 61. In the end of January 2013, Norman reached out to Strateman by email  
4 asking him what was going to happen to the Company’s IT, and asking Strateman  
5 to explore options for selling the Company’s IT. Norman received a response from  
6 Strateman’s mother, Jamie Strateman saying that Patrick is handling the lawsuit  
7 right now and is focused on that. Jamie Stratenen goes on to say “you’ll be happy  
8 with how this turns out.”  
9

10  
11 62. In October 2013, after several more attempts to communicate, Norman  
12 started to think that maybe Strateman was being disingenuous; and in or around  
13 December 2013, Norman hired a lawyer. Norman had put a lot of trust in  
14 Strateman that he was still acting in the best interests of the company, but the lack  
15 of information, coupled with the delay in payment all caused Norman to conclude  
16 that it was time to investigate whether Strateman was telling him the truth.  
17 Norman asked his lawyer whether he should take action to prevent Strateman from  
18 accessing the Company’s deposits in the Polish bank. The lawyer advised him not  
19 to take such actions, and to wait until after the lawsuit to see whether Strateman  
20 distributed BTCs to him and the other member managers as promised.  
21  
22

23 63. On December 6, 2013, Strateman sent an email to Norman and Taaki  
24 seeking approval for a corporate action. This establishes that as of January 2014,  
25

1 the company was still operating and Strateman realized and acknowledged that he  
2 did still have a fiduciary duty to the other members as well as an obligation to keep  
3 the other member managers involved in the company.

4 64. Upon the resolution of the lawsuit in late 2015, Strateman communicated to  
5 Norman a self-imposed deadline for such a distribution of Intersango's BTCs.  
6

7 65. Strateman, using his mother Jamie Strateman as a proxy, asked Norman to  
8 have a document notarized on, which stated that Norman would accept to the BTC  
9 address any payment as payment of debts that Intersango owes Norman.  
10  
11 Strateman stated this was necessary in order to have every BTC transaction  
12 registered in the key chain to have it cashed out. Strateman represented to Plaintiff  
13 that the amount of BTCs in the Intersango coffers had not changed, meaning there  
14 were still over 7000 BTCs on the books. Norman, following these instructions,  
15 had the document notarized and delivered back to Strateman. Strateman picked up  
16 this document, and made a test payment. Strateman then told Norman that he  
17 would pay him within 30 days.  
18

19 66. No payment was made within this 30-day deadline. Norman then reached  
20 out to Strateman, who at this point ceased answering his phone or responding to  
21 Norman in any other way, including when Norman attempted to reach him via  
22 email, Skype, whatsapp, and other communication methods. Strateman has still  
23  
24  
25

1 not distributed Intersango's assets to Norman or the other shareholders, despite  
2 Norman's repeated requests that he do so.

3 67. At or around this time, in or around March 2016, Jamie Strateman  
4 communicate to Norman that the Company no longer had any BTCs, that they had  
5 all been used for the litigation defense in the San Francisco lawsuit.  
6

7 68. At this point, Norman came to the conclusion that Strateman and his mother  
8 Jamie Strateman have been defrauding him all along, and never intended to  
9 disburse BTCs to Norman or the other shareholders. It was inconceivable that all  
10 the BTCs could have been used on defense. The lawsuit was only for \$400,000,  
11 and the 7000+ BTCs at that point were worth millions of dollars.  
12

13 69. Furthermore, Strateman used Company assets in order to pay for his own  
14 legal defenses in the aforementioned lawsuit. He never sought permission nor  
15 approval from Norman or Taaki to use corporate assets in this way, which is a  
16 blatant example of self-dealing. Moreover, he prevented the other member  
17 managers from using Company assets to pay for their own legal defenses.  
18

19 70. In April 2016, Norman came to the United States with the intention of  
20 meeting with Strateman and/or Jamie Strateman and resolving matters. Plaintiff  
21 continued to belief that Strateman might still have the best interests of the  
22 Company in mind and might fulfill his promises and obligations. However,  
23  
24  
25

1 Strateman spurned all of Norman's efforts, leaving him with no choice but to  
2 initiate the current action.

3 71. To this day, Strateman has complete control over all of Intersango's BTC  
4 assets, and Norman does not even know the full extent of such assets.

5  
6 72. Jamie Strateman has undertaken numerous decisions regarding the  
7 administration of Intersango, which were harmful to the Company and its  
8 shareholders.

9  
10 73. Upon information and belief, Strateman has dissolved Intersango LTD  
11 unilaterally without seeking the advice or consent of Norman or Taaki, the other  
12 member managers of Intersango. This type of major corporate decision requires the  
13 approval of the majority of the member managers. Strateman neither requested this  
14 approval from the other member managers, in clear breach of his fiduciary duties  
15 to Intersango.  
16

17  
18 **DERIVATIVE AND DEMAND FUTILITY ALLEGATIONS**

19  
20 74. Plaintiff brings this action derivatively in the right and for the benefit of

21 Company to redress injuries suffered, and to be suffered, by the Company as a  
22 direct result of breaches of fiduciary duty, unjust enrichment, as well as the  
23 aiding and abetting thereof, by individual defendants Strateman and Taaki.

24 Plaintiff also brings this action against individual defendant Strateman and  
25

1 Jamie Strateman for fraud and conversion, and conspiracy to commit fraud  
2 and conversion.

3 75. Intersango is named as a nominal defendant solely in a derivative capacity.  
4 This is not a collusive action to confer jurisdiction on this Court that it would not  
5 otherwise have.  
6

7 76. Plaintiff Norman will adequately and fairly represent the interests of  
8 Intersango in enforcing and prosecuting its rights.  
9

10 77. Plaintiff Norman is and was an owner of Intersango stock during all relevant  
11 times to Defendants' wrongful course of conduct alleged herein, and remains a  
12 shareholder of Intersango stock.

13 78. The current member managers of Intersango consists of the following  
14 individuals: Norman, Taaki, and Strateman.  
15

16 79. Here, Stratemen's decision to stop allowing new registrations to Intersango's  
17 BTC exchange and discontinue day to day operations of the Company did not  
18 constitute a business decision by the entire board, but rather were the unilateral  
19 actions of one board member. Delaware courts apply a slightly different test where  
20 the board takes no action.  
21

22 80. Here, it is clear that a majority of the board of directors *were not*  
23 disinterested or independent with regards to the decision to stop accepting new  
24 registrations to BTC marketplace.  
25



1 81. Here, Taaki clearly was under Strateman's influence, as Strateman had used  
2 his position to usurp complete control over Intersango, and was making all  
3 business decisions with Taaki's acquiescence, and Taaki was loathe to oppose  
4 Strateman. Taaki, like Norman, was worried that if he didn't acquiesce to  
5 Strateman's actions, Strateman might shut down the Company completely, and  
6 refuse to distribute his shares in the Company to him. Indeed, as discussed above,  
7 the board was dominated by Strateman who repeatedly threatened that if Norman  
8 and Taaki didn't comply with his demands, he would abandon the Company  
9 without turning over the Intersango database to the other member managers which  
10 would subject them to litigation from users who had deposited BTCs on the  
11 Intersango exchange.  
12

13  
14 82. Furthermore, as alleged above, despite repeated requests by Norman,  
15 Strateman and Taaki have taken no action to disburse Intersango assets to  
16 shareholders, including dividends and BTCs. Strateman prevented Intersango from  
17 expanding and continuing to operate in a day-to-day capacity by refusing to allow  
18 new users to register with the site. Strateman also did not explore selling the  
19 Company or transferring its operations despite pleas from Norman to do so. Taaki  
20 essentially acquiesced to these actions by failing to prevent them. These actions  
21 indicate that the Company's internal controls and communications were severely  
22 deficient, and that there was no independence among the directors, rather  
23  
24  
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Strateman was exerting his influence on the whole board. These actions further show that Stratemen was acting in his own best interest as opposed to that of all of Intersango's stockholders, so he cannot be said to be disinterested.

## **FIRST CLAIM FOR RELIEF**

### **Against Individual Defendants Strateman and Taaki For**

#### **Breach of Fiduciary Duty**

1. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.
2. Individual defendants Strateman and Taaki breached their fiduciary duties to Intersango. As described by the Court in *Beard Research, Inc. v. Kates*, a claim for breach of fiduciary duty requires proof of two elements: “(1) that a fiduciary duty existed, and (2) that the defendant breached that duty.” *Beard Research, Inc. v. Kates* 8 A.3d 13 573, 601 (De. Ch.) Here, a fiduciary relationship clearly existed. As member managers of Intersango, individual defendants Strateman and Taaki owed and owe Intersango fiduciary obligations. By reason of their fiduciary relationship, the individual defendants owed and owe Intersango the highest obligation of good faith, fair dealing, loyalty, and due care.
3. Individual Defendants violated and breached their fiduciary duties of care, loyalty, reasonable inquiry, oversight, good faith, and supervision by engaging in

1 unfair, fraudulent, and/or wrongful acts. Individual Defendant Strateman knew or  
2 was reckless or grossly negligent in not knowing that he had significantly injured  
3 the Company and its shareholders by usurping complete control over the finances  
4 and management of Intersango to force his will on the Company and prevent its  
5 further growth to the detriment of the Company. Strateman's decision to  
6 inexplicably discontinue new user registration for the Company's BTC  
7 marketplace prevented the Company from further expanding just as it was starting  
8 to become profitable. His failure to seek or receive board approval prior to taking  
9 this action was a breach of his fiduciary duties to the Company. Furthermore,  
10 Strateman prevented the Company from continuing to operate normally and  
11 prevented the other member managers from being involved in the day-to-day  
12 operations of the Company. Strateman did not responsibly use Company's assets  
13 to pursue avenues of growth for the Company. Once he unilaterally decided to  
14 start to wind-down the Company, Strateman did not seek potential purchasers for  
15 the Company at the time when the Company had significant value. Strateman also  
16 used Company resources to pay for his own litigation defenses without first  
17 seeking approval from the majority of the board of the Company. Finally,  
18 Strateman continuously refused to disburse Intersango assets including dividends  
19 and BTCs to shareholders of the Company, despite repeated promises to do so.  
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1 These actions could not have been a good faith exercise of prudent business  
2 judgment to protect and promote the Company's corporate interests.

3 4. As a direct and proximate result of Strateman's failure to perform his  
4 fiduciary obligations, Intersango has sustained significant damages. As a result of  
5 the misconduct alleged herein, Defendant Strateman is liable to the Company.  
6

7 5. Individual Defendant Taaki knew or was reckless or grossly negligent in  
8 acquiescing to and not preventing Strateman's actions listed above. As a member  
9 of the Board of Directors of Intersango, Taaki had a fiduciary interest to protect the  
10 best interests of the Company. Taaki failed in these duties and essentially ratified  
11 Strateman's actions by allowing him to perform the above referenced actions, even  
12 when Norman requested Taaki's cooperation in forcing Strateman to take certain  
13 actions to protect the Company. Essentially, Taaki abandoned and abdicated his  
14 role as a member manager of the Company when Strateman usurped complete  
15 control over the Company. These actions could not have been a good faith  
16 exercise of prudent business judgment to protect and promote the Company's  
17 corporate interests.  
18  
19  
20

21 6. As a direct and proximate result of Taaki's failure to perform his fiduciary  
22 obligations, Intersango has sustained significant damages. As a result of the  
23 misconduct alleged herein, Defendant Taaki is liable to the Company.  
24  
25

7. Furthermore, it is important to note here that Plaintiff's claim for breach of fiduciary duty is not time barred by the three-year statute of limitations for such a claim, nor is it barred by the doctrine of laches. It is true that under Delaware law, a plaintiff's cause of action accrues at the moment of the wrongful act, not when the harmful effects of the act are felt even if the plaintiff was unaware of the wrongful act. However, it has also been found that application of the three-year limit set forth in the statute of limitations "may be tolled until such time as a reasonably diligent and attentive stockholder knew or had reason to know the facts alleged constitute a wrong." (*in re USACafes, L.P. Litig.*, *in re MAXXAM, Inc./federated Dev. S'holders litig.*, *litman v. prudential bache proprs inc.*) "Under the theory of equitable tolling, the statute of limitations is tolled for claims of wrongful self-dealing, even in the absence of actual fraudulent concealment, where plaintiff reasonably relies on the competence and good faith of the fiduciary." *In re dean witter P'ship Litig.*, No Civ.A.14816 WL 44256 t \*6 (Del. Ch. July 17, 1998) *aff'd* 725 A.2d 441 (Del. 1999). To invoke equitable tolling, a claimant must allege a fiduciary relationship, actionable or fraudulent self-dealing, and a lack of inquiry notice. *See, Bovay v. h.m. byllsby & Co.* (equitable tolling requires "an abuse of the fiduciary relationship through actionable self-dealing). *See, also, Kahn v. seaboard corp, in re ebx inc shareholders litig.* (holding that to survive a motion to dismiss

1 based on equitable tolling, the allegations must demonstrate “a reasonable  
2 conceivable” base for it to apply).

3 8. Here, there was a fiduciary relationship as discussed above, because  
4 Strateman was a member manager of Intersango and an Officer of the Company.  
5 Furthermore, there was abuse of the fiduciary relationship through actionable self-  
6 dealing because Strateman was not thinking about the best interests of the  
7 Company but rather his own, and his desire was to avoid the pressure involved with  
8 effectively managing the company, and to seize the Company’s BTCs and other  
9 assets for himself. The specific actions and fraudulent communications he to  
10 achieve these goals are discussed in further detail below  
11  
12  
13  
14

## 15 **SECOND CLAIM FOR RELIEF**

### 16 **Against Individual Defendants Strateman and Jamie Strateman**

#### 17 **Conspiracy to Commit Conversion of Corporate Funds**

18 9. Plaintiff incorporates by reference and realleges each and every allegation  
19 contained above, as though fully set forth herein.  
20

21 10. A conspiracy is an agreement by two or more persons to commit a wrongful  
22 act. Such an agreement may be made orally or in writing or may be implied by the  
23 conduct of the parties.  
24  
25

1 11. Strateman hatched a plan to convert Intersango's corporate assets, and he  
2 entered in a conspiracy with Jamie Strateman to achieve this objective. Thus both  
3 individual defendants Strateman and Jamie Strateman are liable for conspiracy to  
4 convert corporate funds.

5  
6 12. In order to be liable for conspiracy, the plaintiff must prove that (1) the  
7 defendant was aware of the co-conspirators' planned wrongful act; and (2) the  
8 defendant agreed with the co-conspirator and intended that the wrongful act be  
9 committed.

10  
11 13. Furthermore, a conspiracy may be inferred from circumstances, including  
12 the nature of the acts done, the relationships between the parties, and interests of  
13 the alleged co-conspirators. The plaintiff is not required to show that the defendant  
14 personally committed a wrongful act or that she knew all the details of the  
15 agreement.

16  
17 14. Conversion is the wrongful exercise of dominion over the property of  
18 another. The elements of a conversion are: (1) that the plaintiff owned, possessed,  
19 or had a right to possess the property at the time of conversion; (2) that the  
20 defendant intentionally and substantially interfered with the plaintiffs property (i.e.  
21 by taking possession of the property, preventing the plaintiff from having access to  
22 the property, destroying the property, or refusing to return the property after  
23 demand for its return); (3) that the plaintiff did not consent; (4) that the plaintiff  
24  
25

1 was harmed; and (5) that defendant's conduct was a substantial factor in causing  
2 the plaintiff's harm.

3 15. Here, Strateman never intended to distribute any of Intersango's assets to its  
4 other shareholders. These assets include, but are not limited to the Company's  
5 accrued BTC, its website customer lists, and bank relationships. Strateman  
6 repeatedly assured Norman that he would disburse Intersango assets to Norman  
7 and other shareholders eventually, but in fact planned all along to keep the assets  
8 including the BTCs for himself. He conspired with Jamie Strateman, his mother in  
9 this regard, and had her pass along assurances to Norman that Norman would  
10 eventually receive his share of Intersango assets. He used his mother as a legal  
11 proxy in an attempt to avoid legal or civil exposure for the failure to gain approval  
12 for the Intersango actions he took upon himself. There are numerous examples of  
13 Strateman and Jamie Strateman passing along false assurances to Norman that  
14 BTCs would be distributed to Norman and the other shareholders. This includes  
15 but is not limited to:

- 16 a. Strateman made assurances to Norman that he had every  
17 intention of distributing BTCs after the lawsuit when the two met  
18 to make a deposit in a Polish Bank in early 2013.



- 1 b. Jamie Strateman as a proxy for Strateman assured Norman by  
2 email on January 14, 2013, that Strateman was looking after the  
3 interests of all three member managers.
- 4 c. In Early 2016, Strateman using his mother Jamie Strateman as his  
5 proxy, requested that Norman have a document notarized so that  
6 Strateman could disburse Norman's share of Intersango assets to  
7 him. At the time, Strateman assured Norman that the amount of  
8 BTCs controlled by the Company had not changed. This  
9 disbursement never occurred.
- 10 d. Finally, Jamie Strateman communicated to Norman that all the  
11 BTCs controlled by Intersango had been used in defense of  
12 Strateman in a separate lawsuit. This money was not Strateman's  
13 own money, but rather at the time was Intersango's money. It is  
14 inconceivable that all of this money could have been used for  
15 legal defense as at the time, the value of the BTCs owned by the  
16 company was worth millions of dollars.

17 16. Strateman and Jamie Strateman also continually colluded to thwart  
18 Norman's access to an accounting of Intersango assets, so that he would not know  
19 exactly how much the Company or his shares were worth. Thus Strateman should  
20 be found liable for conspiracy to convert corporate funds and other assets.

17. Jamie Strateman's role in conspiring to deny Norman and other shareholders their assets clearly shows she was part of a conspiracy hatched with Strateman to conceal and convert Intersango assets and later claim that such assets no longer existed or were greatly depleted. Accordingly, Jamie Strateman should be found liable for conspiracy to commit conversion. By participating in the conspiracy, Jamie Strateman effectively adopted as her own the torts of other co-conspirators within the ambit of the conspiracy. In this way, she has incurred tort liability co-equal with the immediate tortfeasor, her son Strateman. See, *Applied Equipment Corp. v. Litton Saudi Arabia Ltd.* (1994) 7 Cal.4th 503, 510-511 [28 Cal.Rptr.2d 475, 869 P.2d 454].

### **THIRD CLAIM FOR RELIEF**

#### **Against Individual Defendant Strateman and Jamie Strateman**

#### **Conversion of Corporate Funds and Other Assets**

18. As discussed above, individual defendants Strateman and Jamie Strateman entered into a conspiracy to convert corporate funds and other assets. Furthermore, they realized the objectives of that conspiracy, and should each be found liable for conversion of corporate funds and other assets.

19. Conversion is the wrongful exercise of dominion over the property of another. The elements of a conversion are: (1) that the plaintiff owned, possessed,

1 or had a right to possess the property at the time of conversion; (2) that the  
2 defendant intentionally and substantially interfered with the plaintiffs property (i.e.  
3 by taking possession of the property, preventing the plaintiff from having access to  
4 the property, destroying the property, or refusing to return the property after  
5 demand for its return); (3) that the plaintiff did not consent; (4) that the plaintiff  
6 was harmed; and (5) that defendant's conduct was a substantial factor in causing  
7 the plaintiff's harm.  
8

9  
10 20. Here, Plaintiff Norman had a right to possess 1/3 of Intersango's assets at  
11 the time of conversion, as evidenced by the initial agreement by Plaintiff Norman  
12 and defendants Strateman and Taaki.

13  
14 21. Strateman intentionally and substantially interfered with Norman's property  
15 rights by taking advantage of his position of control over Intersango's finances to  
16 refuse to disburse Intersango's assets to its shareholders, including the shares that  
17 Norman had a right to possess, even after Norman had made repeated requests that  
18 these assets be disbursed to him and other shareholders. He was assisted in this  
19 interference by his mother, Jamie Strateman.  
20

21 22. Norman did not consent to Strateman taking complete control over  
22 Intersango's assets, and did not consent to him retaining control upon the demand  
23 for return of the assets.  
24  
25

1 23. Norman was harmed by Strateman refusing to disburse Intersango assets to  
2 shareholders. Norman was harmed initially when Strateman took advantage of his  
3 position and grossly mismanaged Intersango assets (including Norman's share of  
4 assets), and has further been harmed by Strateman's continued refusal to return  
5 Norman's 1/3 share of Intersango's assets to him. In this regard, Jamie  
6 Strateman's actions were part of the harm as well.

8 24. Strateman's actions and his refusal to disburse Intersango shares to Norman  
9 and the other Intersango shareholders, with the help of Jamie Strateman were  
10 substantial factors in causing Norman's harm.

12 25. Finally, upon information and belief, Strateman, and his mother Jamie  
13 Strateman, both currently possess all of Intersango's assets, which they have  
14 illegally and without authorization converted from the Company.

16 26. It is important to note that Courts have held in the past that cash, unless it is  
17 specifically identifiable cannot be the subject of a conversion claim. Here, even if  
18 the Court were to find that BTCs have the same classification as cash, the BTCs at  
19 issue here *are specifically identifiable*. All BTCs have a unique code on the  
20 blockchain that makes tracking them open and easily ascertainable. Therefore,  
21 once Strateman grants Norman and the Court access to Intersango's digital wallet  
22 that is currently under Strateman's control, it will become clear what happened to  
23 the specific BTCs at issue.  
24  
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**FOURTH CLAIM FOR RELIEF**

**Against Individual Defendant Strateman and Jamie Strateman**

**Conspiracy to Commit Fraud**

27. Plaintiff incorporates by reference and realleges each and every allegation contained above, as though fully set forth herein.

28. A conspiracy is an agreement by two or more persons to commit a wrongful act. Such an agreement may be made orally or in writing or may be implied by the conduct of the parties.

29. Strateman hatched a plan to commit fraud by misrepresenting to Intersango shareholders that Intersango assets would eventually be distributed to them. Strateman entered into a conspiracy with Jamie Strateman to achieve this objective. Thus both individual defendants Strateman and Jamie Strateman should be found liable for conspiracy to commit fraud.

30. In order to be liable for conspiracy, the plaintiff must prove that (1) the defendant was aware of the co-conspirators' planned wrongful act; and (2) the defendant agreed with the co-conspirator and intended that the wrongful act be committed.

31. Furthermore, a conspiracy may be inferred from circumstances, including the nature of the acts done, the relationships between the parties, and interests of

1 the alleged co-conspirators. The plaintiff is not required to show that the defendant  
2 personally committed a wrongful act or that she knew all the details of the  
3 agreement.

4 32. Under Delaware, a claim for fraud requires “(1) a false representation of  
5 material fact; (2) made by a person with knowledge that the representation is false,  
6 or with reckless indifference to the truth; (3) an intention to induce the person to  
7 whom it was made to act or refrain from acting in reliance upon it; (4) causing that  
8 person, in justifiable reliance upon the false statement, to take or refrain from  
9 taking action; (5) causing such person to suffer damage by reason of such  
10 reliance.” *Airborne Health, Inc. v. Squid Soap, LP* 984 A.2d 126, 141-142 (Del.  
11 Ch.2009)." Court of Chancery Rule 9(b) requires that '[i]n all averments of  
12 fraud ..., the circumstances constituting fraud ... shall be stated with  
13 particularity.' The relevant circumstances are 'the time, place, and contents of  
14 the false representations; the facts misrepresented; the identity of the person(s)  
15 making the misrepresentation; and what that person( s) gained from making the  
16 misrepresentation.' *Trenwick Am. Litig. Trust v. Ernst & Young LLP*, 906 A.2d  
17 168, 207-08 (Del. Ch. 2006), *aff'd sub nom. Trenwick Am. Litig. Trust v.*  
18 *Billett*, 931 A.2d 438 (Del. 2007). The core test is whether the claim has been  
19 pled 'with detail sufficient to apprise the defendant of the basis for the claim.'  
20 *Abry Partners*, 891 A.2d at 1050."

1 33. Here, Strateman committed fraud. It is clear that Strateman, and Jamie  
2 Strateman acting as his proxy were engaged in widespread, continuous and  
3 systematic actions and statements aimed at defrauding the Company, Norman  
4 and the other member managers of the Company of the Company's funds.  
5 These comments were (1) false representations of material fact that Intersango  
6 assets including all dividends and BTCs would eventually be disbursed to the  
7 member managers; (2) made by a Strateman and Jamie Strateman knowing that  
8 they were false. (Jamie Strateman acted as Strateman's proxy, and on numerous  
9 occasions told Norman that Intersango assets would eventually be distributed to  
10 shareholders. However, both Strateman and his mother Jamie Strateman never  
11 intended for assets to eventually be distributed in this way. To that end, for some  
12 time, they have worked in concert to conceal the full extent of Intersango's assets  
13 from the plaintiff and have refused his requests for an updated accounting of  
14 Intersango's assets and financial condition); (3) these statements were made with  
15 the intention to induce Norman and other shareholders to refrain from taking legal  
16 action to protect the interests of the Company; (4) these false representations  
17 caused Norman to refrain from taking legal action for years, because he believed  
18 that Strateman, by virtue of his position of fiduciary responsibility to the Company  
19 was working in the best interests of the Company; (5) The Company and Norman  
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1 suffered in that Strateman and Jamie Strateman have converted all of assets of the  
2 Company.

3 34. Some specific examples of this fraud are listed below. These examples  
4 fulfill the Court of Chancery Rule 9(b) that fraud cases be pled with particularity by  
5 including the identity of the person making the misrepresentation, and what that  
6 person gained from making such misrepresentations.  
7

8 (1) Strateman unilaterally shut down the Company's U.S. trading site on  
9 October 14, 2012. At the time he misrepresented to Norman and Taaki  
10 that he would reopen the site in the future if Intersango's legal situation  
11 became more clear or if Intersango had the funds in the future to continue  
12 USD bitcoin trading. Strateman misrepresented that his actions were  
13 necessary because Intersango's profits "couldn't be touched" as a result of  
14 the pending litigation, and that Intersango did not otherwise have the  
15 funding to continue full operations. Strateman claimed that his actions were  
16 in the best interests of the company, and Plaintiff believed him at this time.  
17 These were misrepresentations because at the time, Intersango had  
18 significant assets in the form of BTCs and could have continued to operate.  
19 Strateman made these misrepresentations so that Norman and Taaki would  
20 refrain from taking any legal or other actions on behalf of themselves or the  
21 Company. Upon information and belief, this also provided Strateman and  
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1 Jamie Strateman with the opportunity to move, convert, and conceal all of  
2 the assets of the Company, which they never intended to divide with the  
3 other member managers of the Company.

4 (2) In 2013 Norman met with Strateman in Poland to sign a bank check which  
5 would allow a GBP deposit to be deposited into a Polish bank. When they  
6 met, Norman and Strateman had a conversation regarding the future  
7 direction of the Company. Strateman misrepresented at the time that he  
8 would disburse the BTCs that the Company owed to Norman and to the  
9 other member managers of Intersango. Strateman also assured Norman that  
10 he would continue to operate the site and that the current actions were due to  
11 temporary legal, tax and accounting problems which were being handled,  
12 and which are the reasons why Intersango's money couldn't be touched.  
13 Strateman further reassured Norman that after those issues were resolved,  
14 Intersango would be able to put the rest of its existing money into reopening  
15 operations, or alternatively, the site could be sold/migrated to another  
16 business. At this time, Norman still believed that even though Strateman was  
17 exercising complete control of the Company, that the interests of all three  
18 member managers were aligned. In fact, Strateman never intended to pay  
19 back the Company's BTCs and other assets to the other member managers  
20 of Intersango. Strateman made these misrepresentations so that Norman and  
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1 Taaki would refrain from taking any legal or other actions on behalf of  
2 themselves or the Company. Upon information and belief, this also provided  
3 Strateman and Jamie Strateman with the opportunity to move, convert, and  
4 conceal all of the assets of the Company, which they never intended to  
5 divide with the other member managers of the Company.  
6

7 (3) On January 14, 2013, Norman emailed Jamie Strateman, stating: “As for  
8 Intersango, I’m wondering what the balance sheet is et cetera. I’ve been  
9 asking for a long time and I still haven’t heard. Just because Patrick stopped  
10 talking to me doesn’t mean he doesn’t have a responsibility. I am assuming  
11 there are no outrageous expenses happening and there aren’t any weird  
12 trades going on. Since it is basically my savings I will want to look at all the  
13 expenses at some point. Patrick will have to talk to me at some point about  
14 this after the final payments go out so we can wrap things up. If my friend  
15 won’t buy Intersango, we can simply auction it online which might be the  
16 best thing to do anyway.” Jamie Strateman responded by email on January  
17 14, 2013, stating that “Patrick is doing his best to operate Intersango on his  
18 own, to defend against the SF lawsuit and move things along to resolving it.  
19 He is also working on his own projects. He is also stuck dealing with  
20 attorneys, the lawsuit, and liquidators. I doubt these are expenses that you  
21 would disagree with. From what I can see, Patrick is working to preserve the  
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1 value for the 3 of you.” This was a clear misrepresentation by Jamie  
2 Strateman. Rather than respond to Norman’s request regarding access to the  
3 finances of the Company, Jamie Strateman was trying to reassure Norman  
4 that Strateman was still working in the best interests of the company and all  
5 three member managers when this in fact was not the case. These  
6 misrepresentations were made so that Norman and Taaki would refrain from  
7 taking any legal or other actions on behalf of themselves or the Company.  
8  
9 Upon information and belief, this also provided Strateman and Jamie  
10 Strateman with the opportunity to move, convert, and conceal all of the  
11 assets of the Company, which they never intended to divide with the other  
12 member managers of the Company.  
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14  
15 (4) In the end of January 2013 Norman reached out to Strateman by email  
16 asking him what was going to happen to the Company’s IT, and asking  
17 Strateman to explore options for selling the Company’s IT. Norman receive  
18 a response from Strateman’s mother, Jamie Strateman saying that Patrick  
19 the lawsuit right now and is focused on that. Jamie Stratemen proceeds to  
20 say “you’ll be happy with how this turns out.” Jamie Strateman made these  
21 misrepresentations so that Norman and Taaki would refrain from taking any  
22 legal or other actions on behalf of themselves or the Company. Upon  
23 information and belief, this also provided Strateman and Jamie Strateman  
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1 with the opportunity to move, convert, and conceal all of the assets of the  
2 Company, which they never intended to divide with the other member  
3 managers of the Company.

4 (5) Upon the resolution of the lawsuit in late 2015/early 2016 Strateman  
5 communicated to Norman a self-imposed deadline for such a distribution of  
6 Intersango's BTCs. Strateman, using his mother Jamie Strateman as a  
7 proxy, asked Norman to have a document notarized on or around March or  
8 2016, which stated that Norman would accept to the BTC address any  
9 payment as payment of debts that Intersango owes Norman. This was  
10 necessary in order to have every BTC transaction registered in the key chain  
11 to have it cashed out. Strateman represented to Plaintiff that the amount of  
12 BTCs in the Intersango coffers had not changed, meaning there were still  
13 over 7000 BTCs on the books. Norman, following these instructions, had the  
14 document notarized and delivered back to Strateman. Strateman picked up  
15 this document, and made a test payment. Strateman then told Norman that he  
16 would pay him within 30 days. No payment was made within this 30-day  
17 deadline. Norman then reached out to Strateman, who at this point ceased  
18 answering his phone or responding to Norman in any other way. Strateman  
19 has still not distributed Intersango's assets to Norman or the other  
20 shareholders, despite Norman's repeated requests that he do so. Strateman  
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1 made these misrepresentations so that Norman and Taaki would refrain from  
2 taking any legal or other actions on behalf of themselves or the Company.

3 Upon information and belief, this also provided Strateman and Jamie  
4 Strateman with the opportunity to move, convert, and conceal all of the  
5 assets of the Company, which they never intended to divide with the other  
6 member managers of the Company.  
7

8 (6) At or around this time, Jamie Strateman communicate to Norman that the  
9 Company no longer had any BTCs, that they had all been used for the  
10 litigation defense in the San Francisco lawsuit.  
11

12  
13 35. It is important to note here that Plaintiff's Fraud claim as well as other  
14 related claims are not barred by either the three-year statute of limitations for Fraud  
15 claims, nor are they barred by the doctrine of Laches. It is true that under  
16 Delaware law, a plaintiff's cause of action accrues at the moment of the wrongful  
17 act, not when the harmful effects of the act are felt even if the plaintiff was  
18 unaware of the wrongful act. However, it has also been found that application of  
19 the three-year limit set forth in the statute of limitations "may be tolled until such  
20 time as a reasonably diligent and attentive stockholder knew or had reason to know  
21 the facts alleged constitute a wrong (in re USACafes, L.P. Litig.. in re MAXXAM,  
22 Inc./federated Dev. S'holders litig, litman v. prudential bache proprs inc. "under  
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the theory of equitable tolling, the statute of limitations is tolled for claims of wrongful self-dealing, even in the absence of actual fraudulent concealment, where plaintiff reasonably relies on the competence and good faith of the fiduciary.” *In re dean witter P’ship Litig.*, No Civ.A.14816 WL 44256 t \*6 (Del. Ch. July 17, 1998) *aff’d* 725 A.2d 441 (Del. 1999). To invoke equitable tolling, a claimant must allege a fiduciary relationship, actionable or fraudulent self-dealing, and a lack of inquiry notice. *See, Bovay v. h.m. byllsby & Co.* (equitable tolling requires “an abuse of the fiduciary relationship through actionable self dealing”). *See, also, Kahn v. seaboard corp, in re ebx inc shareholders litig.* (holding that to survive a motion to dismiss based on equitable tolling, the allegations must demonstrate “a reasonable conceivable” base for it to apply).

36. Here, the above specific examples demonstrate that Strateman and Jamie Strateman continuously made misrepresentations so that Norman would refrain from initiating legal action on the Company’s behalf against Strateman. Strateman was clearly in a fiduciary relationship as he was a member manager and officer of Intersango, and was essentially unilaterally controlling the company. Finally, these misrepresentations were made to cover up the self-dealing that Strateman and Jamie Strateman were involved in, namely concealing and converting the Company’s assets including BTCs.

**FIFTH CLAIM FOR RELIEF**

**Against Individual Defendants Strateman and Jamie Strateman – Fraud**

37. Plaintiff incorporates by reference and realleges each and every allegation set forth above, as though fully set forth herein.

38. As discussed above, individual defendants Strateman and Jamie Strateman entered into a conspiracy to commit fraud. Furthermore, they realized the objectives of that conspiracy, and should each be found liable for fraud.

39. The elements of fraud, which give rise to the tort action for deceit are: (1) a misrepresentation (false representation, concealment, or nondisclosure); (2) knowledge of falsity; (3) intent to defraud; i.e. to induce reliance; (4) justifiable reliance; and (5) resulting damages. To maintain any fraud action, a plaintiff must show that he or she changed reliance upon the alleged fraud and was damaged by that change of position. (Civ. Code § 1709).

40. Defendant Strateman committed fraud by misrepresenting to Norman and other shareholders that he would disburse dividends and BTCs to them when he never in fact intended to do so, and his motive throughout was to retain such assets for himself. He was assisted in these actions by Jamie Strateman, who acted as his proxy in dealings with other shareholders, and thus committed fraud herself.

41. Here, Defendant Strateman made misrepresentations to Plaintiff Norman. First, he misrepresented to Norman that he would eventually disburse Intersango

1 assets including dividends and BTCs to Intersango's shareholders, including  
2 Norman. Second, upon information and belief, Strateman has concealed the  
3 remaining BTCs of the Intersango marketplace in order to claim that no BTCs exist  
4 anymore. Individual defendant Jamie Strateman has also made such  
5 misrepresentations, and has assisted Strateman in the concealment of Intersango's  
6 assets.  
7

8 42. Individual defendants Strateman and Jamie Strateman each together and  
9 individually had an intent to defraud and induce reliance, and on numerous  
10 occasions, they both told Norman that Norman and other shareholders would  
11 eventually receive their share of Intersango's assets. These assurances were made  
12 in order to prevent Norman from taking immediate legal action to recover his  
13 assets, thereby providing Strateman and Jamie Strateman with time to conceal  
14 and/or use all of the remaining assets in Intersango's BTC marketplace.  
15  
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17 43. Furthermore, Strateman believed that without the disbursement of  
18 Intersango's assets, Norman would not have the financial means to bring civil  
19 litigation against Strateman for his actions.  
20

21 44. Norman justifiably relied on the statements of individual defendants  
22 Strateman and Jamie Strateman. Norman still believed that as a member manager  
23 and officer of Intersango, Strateman would act in the Company's best interest and  
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25



1 eventually return assets. Furthermore, he believed Jamie Strateman's statements  
2 because she was acting as Strateman's proxy.

3 45. Finally, as a result of individual defendants Strateman and Jamie  
4 Strateman's actions, Norman and the other shareholders of Intersango have been  
5 damaged in that Strateman and/or Jamie Strateman continue to possess and retain  
6 almost all of Intersango's assets, have possibly wasted a large amount of such  
7 assets, and appear to have no intention of ever distributing anything but possibly a  
8 token portion of the assets to any of the Company's shareholders.  
9

10 46. Specific examples of these fraudulent representations can be found above  
11 under the fourth claim for relief and are incorporated by reference in this section.  
12 Furthermore, the statute of limitations should be tolled under the theory of  
13 equitable tolling for the same reasons discussed above.  
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## 17 **SIXTH CLAIM FOR RELIEF**

### 18 **Against Defendant Strateman – Unjust Enrichment**

19 47. Plaintiff incorporates by reference and realleges each and every allegation  
20 set forth above, as though fully set forth herein.  
21

22 48. By his wrongful acts, Defendant Strateman was unjustly enriched at the  
23 expense of and to the detriment of Intersango.  
24  
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1 49. Unjust enrichment is “the unjust retention of a benefit to the loss of another  
2 against the fundamental principles of equity and good conscience.” *Neme v.*  
3 *Shrader*, 991 A.2d, 1120, 1130 (Del. 2010). The elements of unjust enrichment are:  
4 (1) an enrichment, (2) an impoverishment, (3) a relation between the enrichment  
5 and the impoverishment, (4) the absence of justification, an (5) the absence of a  
6 remedy provided by law.”  
7

8 50. Here, Strateman had full access to Intersango’s assets by virtue of his  
9 position with the Company as a member manager and as the CTO. He was  
10 provided with such access so that at all times he could work in the best interests of  
11 the Company and promote its growth. Strateman used this position to unjustly  
12 enrich himself. He has retained control of all of Intersango’s assets including assets  
13 that belonged to individual shareholders Strateman and Taaki, and has refused to  
14 distribute any such assets. Furthermore, he has displayed no willingness to ever  
15 distribute such assets.  
16  
17

18 51. There is an impoverishment because the other member managers of  
19 Intersango are owed millions of dollars from the assets that they invested in  
20 Intersango, including thousands of BTC.  
21

22 52. There is a direct relation between the enrichment and the impoverishment, in  
23 that the other member managers are deprived of their share of Intersango’s assets  
24 since Strateman has taken all such assets for himself.  
25

53. There is an absence of justification, since for all practical purposes, Intersango is no longer a functioning company, and Strateman should divide and distribute the remaining assets amongst the member managers as formally agreed.

54. Finally, there is an absence of other remedies at law for the other member managers to recover their share of assets in Intersango.

### **SEVENTH CLAIM FOR RELIEF**

#### **Violations of the Securities Act of 1933 and the Securities Exchange Act of 1934**

55. PLAINTIFF, hereby incorporates paragraphs 1-53 as set forth herein.

56. Securities sold in the United States that are not registered with the Securities and Exchange Commission (“SEC”) under Regulation D must conform to the provisions of SEC Regulation D (“Reg. “D”).

57. Reg. D Rule 502 states that unregistered securities must be preceded by disclosures that approximate those which would be disclosed in a formal registration.

58. Prior to receiving PLAINTIFF’s monies in exchange for ownership shares in the Company, Strateman disseminated or approved certain material false statements and omissions, including but not limited to i) omitting that he would not

honor his fiduciary duties to the Company should there be trouble and ii) that his intention was not to take one-third of the profits, but 100%.

## **EIGHT CLAIM FOR RELIEF**

### **Accounting**

59. Plaintiff demands an accounting of all of Intersango's assets.

60. Under Delaware law, accounting is an equitable remedy that "consists of the adjustment of accounts between parties and a rendering of a judgment of a judgment for the amount ascertained to be due to either as a result." *Garza v. Citigroup Inc.*, No. CV 15-537-SLR, 2016WL 3566956, at \*2 (D. Del. June 29, 2016) (citing *Albert v. Alex. Brown Mgmt. Servs., Inc.*, Civ.No. 762-N, 2005 WL 2130607, at \*11 (Del. Ch. Aug. 26, 2005)).

61. Plaintiff demands an accounting and an opportunity to examine and inspect corporate books including but not limited to all wallet, site, user and non-user transactions, records, databases, fees, and other variables which may be deemed necessary for proper auditing and verification

62. Plaintiff demands that individual Defendant Strateman provide all information pertaining to Intersango's BTC wallets, used and current, so that Plaintiff can access information regarding BTC transactions.

63. The above is all requested so that Plaintiff can determine the full extent of damages on Plaintiff's claims listed above.

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## PRAYER FOR RELIEF

**Wherefore, Plaintiff demands judgment as follows:**

- A. Against individual defendant Strateman and in favor of the Company for the amount of damages, no less than \$200,000,000, sustained by the Company as a result of Strateman's breach of fiduciary duties, conversion, fraud, conspiracy to commit conversion, conspiracy to commit fraud, unjust enrichment, gross mismanagement, abuse of control, and to provide a full accounting of Intersango's assets for the relevant period;
- B. Against individual defendant Taaki and in favor of the Company for the amount of damages sustained by the Company as a result of Taaki's breach of fiduciary duties, gross mismanagement, and abuse of control;
- C. Against individual defendant Jamie Strateman and in favor of the Company, in the amount of no less than \$7,000,000 for the amount of damages sustained by the Company as a result of Jamie Strateman's conversion, fraud, conspiracy to commit conversion, and conspiracy to commit fraud;
- D. Extraordinary equitable and/or injunctive relief as permitted by law, equity and state statutory provisions sued hereunder, including attaching,

1 impounding, imposing a constructive trust on, or otherwise restricting  
2 individual defendant's assets so as to assure that plaintiff on behalf of  
3 Intersango has an effective remedy;

4 E. Awarding to Intersango restitution from individual defendants Strateman  
5 and Taaki, and ordering disgorgement of all profits, benefits, and other  
6 compensation obtained by the defendants;

7 F. Awarding to plaintiff the costs and disbursements of the action, including  
8 reasonable attorney's fees and expenses; and  
9

10 G. Granting such other and further relief as the Court deems just and proper.  
11

12  
13 Respectfully Submitted,

14 DATED: October 11, 2016

**LAW OFFICES OF NATE KELLY**

15  
16  
17 By: *Nate Kelly*  
18 Nathaniel G. Kelly

19  
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25 Attorneys for Plaintiffs

**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury.

DATED: October 11, 2016

**LAW OFFICES OF NATE KELLY**

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Nathaniel G. Kelly

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